

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	9156	Agenda Number	51.
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Meeting Date:	August 25, 2011
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Department:	Purchasing
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Subject

Authorize award and execution of Amendment No. 2 to a contract with CLARITAS INC., San Diego, CA for Customer Segmentation Data services for Austin Energy to exercise the second 12-month extension option in an estimated amount not to exceed \$18,995, with two additional 12-month extension options in an estimated amount not to exceed \$18,995 per extension option and to authorize three additional 12-month extension options in an amount not to exceed \$18,995 per extension option, for a revised total estimated contract amount not to exceed \$170,955.

Amount and Source of Funding

Funding in the amount of \$1,583 is available in the Fiscal Year 2010-2011 Operating Budget of Austin Energy. Funding for the remaining eleven months of this contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Contract Amendment.
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Prior Council Action:	
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For More Information:	Terry Nicholson, Senior Buyer, 512-322-6586
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Boards and Commission Action:	Recommended by the Electric Utility Commission.
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Woman-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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Additional Backup Information

This contract provides Austin Energy Market Research & Product Development with psychographic data (i.e. information regarding attitudes and proclivity to participate in energy efficiency investments).

Pursuant to goals established under the City of Austin Climate Protection Plan, Austin Energy is directed to achieve 800 MW of energy efficiency by 2020. Achieving these goals will require the utility to go beyond and to work smarter in promoting our energy efficiency programs. One manner to achieve this is to understand that our customer base is not monolithic and can be segmented into different groups which may be motivated by different messages and influenced by different values. Our customer base is varied, not monolithic, so segmenting provides the most cost effective use of our marketing resources, as well as providing for continuing maintenance of our residential customer database.

The original contract with Claritas was executed in 2005 after extensive market research. Seven potential vendors were considered but only Claritas (formerly known as Neilson) was able to provide this specific data at the Zip+4 level.

This contract was awarded in 2008 as a sole source purchase in continuation of the original contract. Amendment No 1 was issued in August, 2010 for the first extension period. This Recommendation for Council Action is to approve Amendment No. 2 and authorize award of the remaining three extension options in an estimated amount not to exceed \$18,995 each and to add an additional three 12-month extension options in an estimated amount not to exceed \$18,995 each.

Contract Summary

Action	Description	Amount
Original Contract awarded 09/12/2008	Original 24-month contract	\$37,990.00
Amendment No. 1	Exercise the first 12-month extension option	\$18,995.00
Proposed Amendment No. 2	Authorize the remaining three 12-month extension options and authorize the addition of three 12-month extension options	\$113,970.00
Total Revised Contract Amount		\$170,955.00